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(f) the audit of the accounts of the foreman and the issue of an audit certificate;

(g) such other matters as may appear necessary to give effect to the purposes of this Act.

(2) A table of fees payable under sub-section (1) shall be published in the *Fort St. George Gazette*.

CHAPTER XI.

MISCELLANEOUS.

54. *Appeals.*—(1) Any foreman aggrieved by an order of the Registrar—

(a) refusing to register the by-laws of a chit under sub-section (1) of section 3;

(b) refusing to grant a certificate of commencement under sub-section (2) of section 7;

(c) refusing to accept the security under clause (a) of sub-section (1) of section 12 or under section 23; or

(d) refusing to release the property changed by way of security or to order the release of the cash security or the Government securities under sub-section (4) or *sub-section* (5) of section 12, may, within thirty days of the communication to him of such order, appeal to the Director of Chits.

(2) Any foreman or any other person aggrieved by an order of the Registrar under sub-section (1) of section 26 or by an order of an officer empowered by the Government under sub-section (2) of that section may, within thirty days of the communication to him of such order, appeal to the Director of Chits.

(3) The Director of Chits may, after giving the appellant an opportunity of being heard, pass such orders on the appeal under sub-section (1) or sub-section (2), as he thinks fit.

55. *Power of Registrar to condone delay in certain cases.*—The Registrar may, in his discretion and upon an application in writing by any foreman made within the period of fourteen days specified in any of the provisions of sub-section (2) of section 20, sub-section (2) of section 21, section 29 and section 32, allow to the foreman further time not exceeding fifteen days to file a copy of any document under any of the provisions referred to above.

56. *Penalties.*—(1) Whoever contravenes or abets the contravention of any of the provisions of sections 3, 4 and 7 shall be punishable with imprisonment for a term which may extend to one year or with fine which may extend to five hundred rupees or with both.

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(2) Any foreman—

(*a*) who does not file *the chit agreement under section* 6 *or a copy of* any document under section 11, sub-section (2) of section 20, sub-section (2) of section 21, section 29 or section 32 within the period specified for such filing or within the further time allowed under section 55 for such filing; or

(*b*) who contravenes any of the provisions of section 8, sub-sections (1) and (6) of section 12, section 14, section 15, section 16, section 20, section 21, section 22, section 23, sub-section (4) of section 25, section 29, section 35, section 36, section 37 and sub-section (4) of section 51; or

(*c*) who fails to comply with the requirements of the chit agreement regarding the date, time and place at which the chit is to be drawn,

shall be punishable with fine which may extend to one hundred rupees.

(3) Whoever in any document required by, or for the purposes of, any of the provisions of this Act wilfully makes a statement false in any material particular knowing it to be false, shall be punishable with imprisonment for a term which may extend to one year or with fine which may extend to five hundred rupees or with both.

57. *Cognizance of offences.*—No court inferior to that of a salaried presidency magistrate or a salaried magistrate of the second-class shall try any offence under this Act.

58. *Application of fines.*—The court imposing any fine under this Act may direct that the whole or any part thereof be applied in or towards payment of the costs of the proceedings.

59. *Compounding of offences.*—(1) Notwithstanding anything contained in the Code of Criminal Procedure, 1898 (Central Act V of 1898), any officer empowered by the Government in this behalf may at any time on receipt of such compensation as may be fixed by such officer not exceeding such amount as may be prescribed compound any offence punishable under the foregoing provisions of this **Act**.

(2) On the payment of compensation under sub-section (1), no further proceedings shall be taken against the accused person and he shall be acquitted.

60. *Power to enter and search any place and to seize documents, etc.*—(1) A magistrate of the first-class in the muffasal or a presidency magistrate in the Presidency-town, may, on receiving a report from the Registrar or the Inspecting Officer appointed under sub-section (1) of section 51 that any person conducts or is responsible for the conduct of a chit in any place in contravention of the provisions of this Act, issue a warrant empowering the Registrar or the Inspecting Officer to enter such place with such assistants as he considers necessary and inspect the books, registers, accounts

or documents in such place. On receiving such warrant the Registrar or the Inspecting Officer may enter the place with such assistants as he considers necessary and inspect the books, registers, accounts or documents in such place and may take to his office for further investigation such books, registers, accounts and doucments as he considers necessary :

Provided that if the Registrar or the Inspecting Officer removes from the place any book, register, account or document, he shall give to the person in charge of the place, a receipt describing the book, register, account or document so removed by him :

Provided further that within twenty-four hours of the removal of the books, registers, accounts and documents from the place, the Registrar or the Inspecting Officer shall either return them to the person from whose custody they were removed or produce them in the court of the magistrate who issued the warrant. Such magistrate may return the books, registers, accounts and documents or any of them to the person from whose custody they were removed by the Registrar or the Inspecting Officer, after taking from such person such security as the magistrate considers necessary for the production of the books, registers, accounts and documents when required whether by the Registrar or by the Inspecting Officer or by the court, or may pass such other orders as to their disposal as appear just and convenient to the magistrate.

(2) The Registrar or the Inspecting Officer shall have authority to require any person whose testimony he may require regarding any chit agreement to attend before him or to produce or cause to be produced any document and to examine such person on oath.

(3) The Registrar or the Inspecting Officer may apply for assistance to an officer in charge of a police station and take Police officers to accompany and assist the Registrar or the Inspecting Officer in performing his duties under this Act.

61. *Payment to be evidenced by document.*—All payments in respect of a chit whether by the foreman or by the subscriber shall be evidenced by documents in writing.

62. *Interest at more than twelve per cent not to be allowed.*—No court shall award interest on claims arising under this Act at more than twelve per cent per annum simple interest.

63. *Power of court to grant relief in certain cases.*—Nothing contained in the foregoing provisions of this Act shall affect the powers vested in a court for granting relief against any of the provisions contained in the chit agreement, if the same be unconscionable or opposed to the provisions of any law.

64. *Power to make rules.*—(1) The Government may make rules for carrying out all or any of the purposes of this Act.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for or regulate—

(*a*) all matters expressly required or allowed by this Act to be prescribed;

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(*b*) the matters in respect of which provision shall be made in the by-laws of a chit and the procedure to be followed in making, registering, altering and abrogating by-laws, and the conditions to be satisfied prior to such making, registration, alteration or abrogation;

(*c*) the particulars which every chit agreement shall contain;

(*d*) the method of valuation of grains by the Registrar in a grain chit, for the purposes of security under section 12;

(*e*) the restrictions and conditions subject to which and the manner in which, any security given by a foreman under section 12 may be changed or substituted;

(*f*) the procedure to be followed by the Registrar for the release of security given by the foreman under section 12;

(*g*) the maintenance of registers and books of accounts by the foreman, the safe custody of books, papers and documents in the Registrar's office and also for the destruction of such books, papers and documents as need no longer be kept;

(*h*) the procedure to be followed for the winding up of a chit under Chapter IX; and

(*i*) the auditing of the balance sheets and profits and loss accounts and the issue of audit certificates. . . . . . .

(3) (*a*) All rules made under this Act shall be published in the *Fort St. George Gazette* and, unless they are expressed to come into force on a particular day, shall come into force on the day on which they are so published.

(*b*) All notifications issued under this Act, shall, unless they are expressed to come into force on a particular day, come into force on the day on which they are published.

(4) Every rule made or notification issued under this Act shall, as soon as possible, after it is made or issued, be placed on the table of both Houses of the Legislature, and if, before the expiry of the session in which it is so placed or the next session, both Houses agree in making any modification in any such rule or notification or both Houses agree that the rule or notification should not be made or issued, the rule or notification shall thereafter have effect only in such modified form or be of no effect, as the case may be, so however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or notification."

65. *Recovery of amounts due from a foreman.*—All amounts due from a foreman to the Registrar or any other officer under this Act by way of any fee or as compensation for the composition of any offence under this Act shall be recoverable as arrears of land revenue.

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66. *Act not to apply to certain chits.*—The provisions of this Act shall not appy in respect of—

(1) any chit started before the commencement of this Act; or

(2) any chit the chit amount of which or where two or more chits are started or conducted simultaneously by the same foreman the aggregate chit amount of which does not exceed one hundred rupees.

67. *Power to exempt.*—The Government may, by notification, exempt any person or class of persons to whom or any chit or class of chits to which this Act applies from all or any of its provisions, subject to such conditions as they deem fit and may cancel or modify any such notification.

68. *Amendment of Central Act II of* 1899.—In Schedule I to the Indian Stamp Act, 1899 (Central Act II of 1899) as amended by the Indian Stamp (Madras Amendment) Act, 1958 (Madras Act XIV of 1958), for entry 20-A, the following entry shall be substituted, namely :—

"20-A. A chit agreement, that is an agreement relating to a chit as defined in clause (3) of section 2 of the Madras Chit Funds Act, 1960, if either such agreement is executed or the chit is conducted in the State of Madras. One rupee."

69. *Repeal and saving.*—(1) Any law corresponding to this Act in force in the transferred territory immediately before the commencement of this Act including the Travancore Chitties Act, 1120 (Travancore Act XXVI of 1120), (hereinafter in this section referred to as the corresponding law) shall stand repealed on such commencement.

(2) The repeal by sub-section (1) of the corresponding law shall not affect—

(*a*) (i) the previous operation of the corresponding law or anything done or duly suffered thereunder; or

(ii) any right, privilege, obligation or liability acquired, accrued or incurred under the corresponding law; or

(iii) any penalty, forfeiture or punishment incurred in respect of any offence committed against the corresponding law; or

(iv) any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid;

and any such investigation, legal proceeding or remedy may be instituted, continued or enforced and any such penalty, forfeiture or punishment may be imposed as if this Act had not been passed; or

(*b*) The operation of the corresponding law in respect of chitties started before the commencement of this Act.

(3) Subject to the provisions of sub-section (2), anything done or any action taken, including any appointment or delegation made, notification, order, instruction or direction issued, or any rule, regulation or form framed, certificate granted or registration effected, under the corresponding law shall be deemed to have been done or taken under this Act and shall continue to have effect accordingly, unless and until superseded by anything done or any action taken under this Act.

(4) Unless the context otherwise requires, the Madras General Clauses Act, 1891 (Madras Act I of 1891), shall apply for the interpretation of this Act in its application to the transferred territory.

(5) For the purpose of facilitating the application of this Act in the transferred territory, any court or other authority may construe this Act with such alterations not affecting the substance as may be necessary or proper to adapt it to the matter before the court or other authority.

(6) Any reference to the corresponding law in any law which continues to be in force in the transferred territory after the commencement of this Act shall, in relation to that territory, be constructed as a reference to this Act.

Explanation.—For the purpose of this section the expression " transferred territory " shall mean the Kanyakumari district and the Shencottah taluk of the Tirunelveli district.

70. *Power to remove difficulties.*—(1) If any difficulty arises in giving effect to the provisions of this Act, the Government may, as occasion may require, by order, do anything which appears to them to be necessary for the purpose of removing the difficulty.

(2) All orders made under sub-section (1) shall, as soon as possible, after they are made, be placed on the table of both Houses of the Legislature and shall be subject to such modifications by way of amendment or repeal as the Legislature may make either in the same session or in the next session.

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